



SENT TO COUNCIL ON: ~~NOV 21~~ 2003

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Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Corsiglia
Scott P. Johnson

SUBJECT: SEE BELOW

DATE: November 19, 2003

Approved

Date

11.19.03

COUNCIL DISTRICT: Citywide

INFORMATION

SUBJECT: REPORT ON ACTIVITIES UNDERTAKEN BY THE DIRECTOR OF HOUSING AND THE DIRECTOR OF FINANCE UNDER THE DIRECTORS' DELEGATION OF AUTHORITY FOR THE PERIOD JULY 1, 2003 TO SEPTEMBER 30, 2003

BACKGROUND

On September 4, 1990, the City Council adopted Ordinance No. 23589, which delegated to the Director of Housing certain specified authorities in the administration of the City's comprehensive affordable housing program (the "Delegation of Authority"), codified in Chapter 5.06 of the Municipal Code. On May 23, 2000, the Delegation of Authority was amended by Ordinance No. 26127 to clarify certain sections and add several other provisions. On June 25, 2002, the Delegation of Authority was further amended by Ordinance No. 26657 to add several provisions to the already delegated authority of the Directors of Housing and Finance. Additionally, the City Manager delegated to the Director of Housing the Contract Authority granted to the City Manager by Part 6 of Chapter 5.06 of the Municipal Code. These recent changes became effective 30 days later, or July 25, 2002.

This report has been prepared pursuant to the provisions of the Ordinance. The subject report covers activities under the revised Ordinance for the period of July 1, 2003 to September 30, 2003.

ANALYSIS

The Delegation of Authority Ordinance authorizes the Director of Housing: to develop and implement additional guidelines for housing programs; to adjust terms on housing loans and grants; to change the funding sources of a loan; to convert loans to grants; to loan or grant

Housing and Homeless funds, Predevelopment funds and Housing Rehabilitation Program funds; to negotiate and execute grant agreements necessary to implement Council-approved programs adopted in the Annual Action Plan of the Consolidated Plan; to provide management for, and/or dispose of, properties acquired through direct purchase, foreclosure or deed-in-lieu proceedings; to formalize the City Council's policies and procedures regarding housing loan defaults; to apply for federal or State funding; and to make other technical changes under the Director of Housing's Delegation of Authority. Ordinance No. 26657 further broadened the Director of Housing's authority to make adjustments, within defined parameters, to loans and grants previously approved by the City Council; to delegate jointly to the Director of Housing and Director of Finance authority related to the City's issuance of tax-exempt, private-activity bonds to finance the development of affordable housing projects; to delegate to the Director of Finance the authority to hold Tax Equity and Fiscal Responsibility Act (TEFRA) hearings on the City's proposed issuance of tax-exempt bonds to finance affordable housing projects and the authority to determine, within defined parameters, various terms and conditions of loans and grants previously approved by the City Council.

Under these parameters, the Director of Housing has taken the following actions during the period of July 1, 2003 to September 30, 2003:

Housing and Homeless Fund Grants

None this period.

Housing Rehabilitation and Improvement Loans and Grants:

<u>ACTIVITY</u>	<u>NUMBER</u>	<u>AMOUNT</u>
REHABILITATION LOANS	5	\$193,469
REHABILITATION GRANTS	27	\$325,190
PAINT GRANTS	85	\$255,265

Modifications to Council-Approved Loan Terms & Conditions

None this period.

Loans/Grants Terms and Conditions:

Oak Tree Village (formerly, Branham Lane Apartments) – Council District: 2, SNI Area: Edenvale/Great Oaks:

	Acquisition/Predev	Const/Permanent
Loan Amount	\$10,540,000	\$10,540,000
Total Affordable Units	174 Units	174 Units
Repayment	P&I @ Maturity	Residual Receipts 70% to City
Interest Rate	4% Simple	4% Simple
Affordability Term	55 Years	55 Years

Cinnabar Commons – Council District: 6, SNI Area: None:

	Acq./Const. Phase	Permanent Phase
Loan Amount	\$28,632,250	No more than \$21,047,250
Total Affordable Units	243 Units	243 Units
Repayment	*See Below	*See Below
Interest Rate	4% Simple until Conversion to Permanent Loan	4.6% for 15 Yrs; 5% Thereafter
Affordability Term	55 Years	55 Years

*The City's loan documents require that the total outstanding principal be reduced to \$19,547,250 when the Loan converts to a Permanent Loan; however, if either the City or Borrower anticipate an inability of Borrower to make this payment, the City and Borrower will negotiate a lesser payment amount, but in no event shall the outstanding principal of this Note be greater than \$21,047,250 on the Conversion Date. Thereafter, the City's share of residual receipts will increase, on a fixed schedule, from 50.3% in Year 1 to 75.3% in Year 33.

Eden Palms Special Needs – Council District: 2, SNI Area: Edenvale/Great Oaks:

	Acq/Predev/Const	Permanent Phase
Conditional Grant	\$1,275,000	\$1,275,000
Total Affordable Units	14 Units	14 Units
Repayment	N/A	N/A
Conditions	14 ELI Units	14 ELI Units
Affordability Term	55 Years	55 Years

Tax Equity and Fiscal Responsibility Act (TEFRA) Hearings by the Director of Finance:

None this period.

HONORABLE MAYOR AND CITY COUNCIL

November 19, 2003

Subject: Report on Activities Undertaken by the Director of Housing and the Director of Finance


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PUBLIC OUTREACH

All three projects referenced above were the subject of noticed public hearings before the Planning Commission and City Council as part of the PD Zoning process.

COORDINATION

This report has been coordinated with the City Attorney's Office.


SCOTT P. JOHNSON
Director of Finance


LESLEYE CORSIGLIA
Director of Housing

Attachment